



# OUTLINE OF MAJOR TAXES IN WASHINGTON STATE

Washington State Department of Revenue  
May 2006

Tax Source RCW Citation	Tax Base	Tax Rate	Yield FY 2005 (\$000)	Administration	Collection Procedure
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## STATE GENERAL AND SELECTIVE SALES TAXES

Beer Excise Tax (66.24.290)	Brewing or wholesaling of beer	\$8.08 per 31 gallon barrel (sales >60,000 barrels)	\$29,859	Liquor Control Board	Paid by brewers or wholesalers
Brokered Natural Gas Tax (82.12.022)	Natural or manufactured gas consumed within the state which was not subject to public utility tax	3.852%	\$29,745	Dept. of Revenue	Paid by users on special brokered natural gas tax return
Cigarette Tax (82.24, 28A.47)	Sale, use, consumption, handling, or distribution of cigarettes	\$2.025 per 20 cigarettes effective July 1, 2005	\$323,580	Dept. of Revenue	Distributors purchase tax stamps
Liquor Liter Tax (82.08.150)	Sales of hard liquor (spirits)	\$3.77 per liter for consumers; \$2.44 for Class H resellers,	\$77,124	Liquor Control Board & Revenue	Included in purchase price
Liquor Sales Tax (82.08.150)	Sales of liquor and strong beer	Consumers, 20.5%; Class H, 13.7%	\$74,102	Liquor Control Board & Revenue	Included in purchase price
Motor Fuels Taxes (82.36, 82.37, 82.38)	Sale or use of motor vehicle fuel or special fuels (propane, etc.)	31 cents per gallon, increasing to 34 cents on July 1, 2006	\$930,975	Dept. of Licensing	Paid by distributor and included in pump price
Refuse Collection Tax (82.18)	Services provided by refuse collection businesses	3.6%	\$27,860	Dept. of Revenue	Paid by refuse collection users
Rental Car Tax (82.08.020(2))	Retail car rentals	5.9%	\$19,282	Dept. of Revenue	Paid by rental car firms

Retail Sales Tax (82.08)	Selling price of tangible personal property & certain services purchased by consumers	6.5% (6.8% on sales and leases of new and used motor vehicles)	\$6,166,266	Dept. of Revenue	Paid by purchaser to retailer who forwards to Revenue
Tobacco Products Tax (82.26)	Sale, use, etc., of other tobacco products	75% of the wholesale price, with a maximum of 50 cents per cigar	\$27,542	Dept. of Revenue	Paid by manufacturers and distributors
Use Tax (82.12)	Privilege of using tangible personal property on which sales tax was not paid, measured by market value	6.5%	\$453,901	Dept. of Revenue	Paid by user to Revenue (to County Auditor for vehicles)
Wine Excise Tax (66.24.210)	Wholesale sales of wine	22.92 cents per liter (45.36 cents for fortified wines)	\$17,380	Liquor Control Board	Paid by wine wholesalers

### STATE GROSS RECEIPTS BUSINESS TAXES

Business & Occupation Tax (82.04)	Gross income or proceeds of sales, or value of products for privilege of doing business	Major rates: retailing, 0.471%; manufacturing/wholesaling, 0.484%; services, 1.5%	\$2,269,105	Dept. of Revenue	Business reporting monthly, quarterly, or annually
Insurance Premiums Tax (48.14)	Gross premiums received by licensed insurers	Ocean marine/trade, 0.95%; other insurers, 2.0%	\$357,382	Insurance Commissioner	Paid by insurance companies
Public Utility Tax	Gross operating revenue of public & privately owned public service firms (utilities)	Gas/sewer, 3.852%; water, 5.029%; urban trans., 0.642%; motor & railroad trans., 1.926%; power, 3.873%; all others, 1.926%	\$303,778	Dept. of Revenue	Business reporting monthly, quarterly, or annually

## STATE PROPERTY TAX

State Property Tax Schools (84.52.065)	Assessed value of taxable real & personal property, adjusted to 100% true & fair value	Taxes due in calendar 2005: \$1,589,947 \$2.78 per \$1,000 of assessed value (local tax base)	County Assessor & Treasurer, Revenue	Paid by levy for owners: 50% due April 30 and balance due Oct. 31
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## STATE EXCISE TAXES IN LIEU OF PROPERTY TAX

Aircraft and Watercraft Excise Taxes (82.48 and 82.49)	Privilege of using aircraft and watercraft, measured by fair market value for boats and statutory fees for aircraft.	Aircraft, \$20-125; boats, 0.5%	\$15,223	Dept. of Licensing, County Auditors	Paid annually by owners with license fees
Leasehold Excise Tax (82.29A)	Rental value of leased publicly owned property	State tax rate of 12.84% less local taxes up to 6%	\$19,918	Dept. of Revenue	Paid to lessors and sent to Revenue
PUD Excise Tax (54.28)	Privilege of producing energy by public utility districts	2.14% of gross revenues plus 5.35% of 1 <sup>st</sup> 4 mills per KWH	\$38,024	Dept. of Revenue	Paid annually by PUDs
Timber Excise Tax (84.33.041)	Stumpage value of timber at the time of harvest	Public lands, 3.8%; private lands, 1.0%	\$10,112	Dept. of Revenue	Paid quarterly by harvesters

## OTHER STATE TAXES

Carbonated Beverage “Syrup” Tax (82.64)	Wholesale or retail sales of syrup used to make carbonated beverages	\$1.00 per gallon of syrup; offsetting B&O tax credit phased in through 2009	\$9,688	Dept. of Revenue	Paid by in-state sellers of carbonated beverages to Revenue
Enhanced 911 Tax	Telephone lines, land and wireless	\$0.20 per line	\$16,677	Dept. of Revenue	Paid on telephone bills to telephone companies and forwarded to Revenue s

Estate and Transfer Tax (83.100 for deaths occurring on or before May 16, 2005) (WAC 458-57-105 for deaths occurring on or after May 17, 2005)	Amount of credit allowed under federal estate tax, as of 1/1/01.	Tax was ruled invalid by State Supreme Court in February 2005. Reinstated effective May 17, 2005.	-\$42,229	Dept. of Revenue	Estates file within 9 months
Food Fish & Shellfish Tax (82.27.020)	Price paid by first commercial processor of food fish or shellfish	Chinook salmon, 5.62%; sockeye salmon, 3.37%; oysters, 0.09%; sea urchins/cucumbers, 4.92%; other, 2.25%	\$4,838	Dept. of Revenue	Paid by commercial fishermen & processors
Hazardous Substances Tax (82.21)	Value of certain chemicals and other products at time of first possession in state	0.7%	\$38,037 (state portion)	Dept. of Revenue	Paid by party first possessing substance in state to Revenue
Oil Spill Tax (82.23B)	Crude oil & petroleum products delivered at marine terminals within the state	\$.05 per 42 gallon barrel	\$6,170	Dept. of Revenue	Collected by marine terminal operators & paid to Revenue
Petroleum Products Tax (82.23A)	Wholesale value of petroleum products derived from crude oil at time of first possession in this state	0.5% (tax reimposed as of 7/1/03 but terminated on 7/1/04) Fund limit reached	\$3,688	Dept. of Revenue	Paid by first possessor of petroleum products to Revenue
Real Estate Excise Tax (82.45.060)	Sales of real property	1.28% of selling price	\$823,110	Revenue and County Treasurer	Paid by sellers when affidavit is recorded
State Convention Center (67.40.090)	Accommodations in King County hotels with 60+ units	Seattle, 7%; the rest of King County 2.8%	\$42,948	Dept. of Revenue	Paid to retailer who forwards tax to Revenue

## MAJOR LOCAL GOVERNMENT TAX SOURCES (yield is latest year available)

Baseball Sales/Use	Sales in King County	0.017% ** (CY 2005)	\$7,202	Dept. of Revenue	Calculated by Revenue
Food & Beverage	Prepared foods and drinks (King County only)	0.5% (CY 2005)	\$17,667	Dept. of Revenue	Collected by retailers and forwarded to Revenue
Football Sales/Use	Sales in King County	0.016% ** (CY 2005)	\$6,782	Dept. of Revenue	Calculated by Revenue
Hotel/Motel Tax (67.28.180)	Transient rental income	2.0% of sales tax (6.5%) (CY 2005)	\$31,773	Dept. of Revenue	Reported by retailers; state reimburses cities and counties
Leasehold Excise Tax (82.29 A)	Rental value of leased publicly owned property	Up to 6%	\$15,802	Dept. of Revenue	Paid to lessors and sent to Revenue
Local Property Taxes (84.52 and others)	Assessed value of taxable real and personal property	Due in CY 2005: average local regular & special levy rate, \$9.09	\$5,268,569	County Assessor & Treasurer, Revenue	Paid by owners: 50% due April 30 and balance due Oct. 31
Local Real Estate Excise (82.46)	Sales of real property	Generally 0.25% or 0.5% of selling price	\$316,676	County Treasurer	Sellers pay when sales affidavit is filed
Local Retail Sales & Use Taxes (82.14)	Same as state sales/use tax	City/county, 0.5-1.0%; Transit, 0.1-0.9%; Criminal Justice, 0.1%; Public Facilities, 0.1%; Juvenile Detention, 0.1%; High Cap. Transit, 0.4%; Rural counties, 0.08%; Regional Centers, 0.033%; Pierce County Zoo, 0.1%; Emergency Comm, 0.1%; Public Safety, 0.1-0.3% (CY 2005 for all the above)	\$1,062,260 \$661,750 \$105,085 \$6,969 \$35,188 \$235,155 \$19,325 \$16,670 \$11,635 \$11,446 \$11,053	Dept. of Revenue	Retailers report sales by local code

Municipal Business Taxes and Licenses (35 & 35A)	Gross revenue or flat fees based on class of business, number of employees, etc.	Business: generally 0.05-0.2% (CY 2003) Utilities: generally 2-6% (CY 2003)	\$205,227 \$480,138	City Clerk	Paid by local firms within taxing jurisdiction
Special Hotel/Motel Tax (67.28)	Transient rental income	Many cities and counties levy additional taxes ranging from 2.0% to 5.0% (CY 2005)	\$21,745	Dept. of Revenue	Paid to retailers who forward tax to Revenue
Timber Excise Tax (84.33.051)	Stumpage value of timber at the time of harvest	Private lands, 4.0% Public lands 1.2% (FY 2005)	\$30,511	Dept. of Revenue	Paid quarterly by harvesters to Revenue

\*\*Credited against state sales tax

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